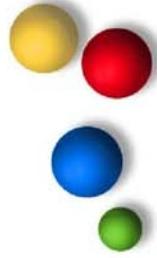


# **EXHIBIT 12**



# Open Handset Alliance

Andy Rubin and Android team





Project Android

We are building the world's first Open  
Source handset solution with built-in  
Google applications

We are forming an alliance with interested  
parties to make this free platform the de  
facto standard for modern handsets



## Partner Overview - Sun Microsystems



### Who Are They?

- Products and services for network computing
  - Java dominates wireless industry
  - Carriers require Java in their terminal terminal specifications
- Statistics
  - Not profitable
  - \$15.4B Market Cap
  - \$11.6B revenue
  - \$469M EBITDA
  - \$2.45B cash
- Market Presence
  - xxx Java embedded handsets
  - xxx carrier relationships
- Size
  - xx offices worldwide
  - xxx employees

### Why Do the Deal?

- Critical to our open source handset strategy
- Dramatically accelerates our schedule
- Form an industry alliance to block MSFT
- Create value for wireless stakeholders



- Discussions started as result of our last GPS
- Alliance consists of key players of the wireless industry, including handset OEMs and wireless carriers
- Sun becomes founding partner in alliance
- Companies engage in a co-development relationship



## Proposed Deal Terms

<b>Client</b>	<ul style="list-style-type: none"> <li>• Sun Microsystems</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>• 3 years</li> <li>• Co-development partnership</li> </ul>
<b>Proposal</b>	<ul style="list-style-type: none"> <li>• Sun makes Java Open Source as part of Android platform</li> <li>• Companies work together to bring Android platform to market</li> </ul>
<b>Exclusivity</b>	<ul style="list-style-type: none"> <li>• Exclusive</li> </ul>
<b>Data Use / Restrictions</b>	<ul style="list-style-type: none"> <li>• See detailed slides</li> </ul>
<b>Fee</b>	<ul style="list-style-type: none"> <li>• \$25-50M</li> <li>• To be negotiated potential rev share on platform-enabled mobile ads</li> </ul>
<b>Attribution</b>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Termination / Other Issues</b>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

Google confidential



## Terms

- Sun will open source CDC JavaME by “m/m/m” date
- Google and Sun will produce the “Open Source Java Linux Mobile platform” by “n/n/n” date
  - Sun to govern the CDC codebase with partial governance by Google
  - Google to govern the Linux codebase with partial governance by Sun
- Sun to provide a commercial implementation of the “Open Source Java Linux Mobile platform”
  - Google to provide backline support for the “Linux Mobile platform”
- Google agrees NOT to offer commercial implementations of the “Open Source Java Linux Mobile platform” or similar stack except as necessary for initial launch



## Terms (cont'd)

- Sun agrees to adopt certain key Google enablers (JavaScript, others tbd) in CDC and Google agrees to adopt appropriate Sun enablers in Linux stack
- Google provides Sun with all Google owned handset technologies, un-encumbered rights, from day one. Sun can only ship this technology commercially after it has been open sourced
- Sun provides Google with all Sun owned CDC JavaME technologies, un-encumbered rights, from day one. Google can only ship this technology commercially after it has been open sourced
- Sun and Google to promote the Java Brand for mobile
- Google to certify their applications on Sun's commercial implementations



## Terms (cont'd)

- Sun and Google will jointly engage in recruiting OEMs and Service Providers
- Sun intends to monetize the commercial implementation of the “Open Source Java Linux Mobile Platform” Stack and services around it (support, ES, updates/upgrades, customizations + IP value add) in the following areas. This list is not intended to be comprehensive and does not restrict Google from providing underlying technology:
  - Device management
  - Security upgrades / Patch management
  - User interface customization for OEMs, MVNOs, carriers
  - Enterprise level synchronization
  - Network quality monitoring
  - User experience customization based on device usage

## Terms (cont'd)



- Google agrees to adopt and promote NetBeans and Sun Java Wireless Tool Kit (WTK) along with its tools. Where appropriate, companies will merge their tools
- Where appropriate, Mobile client apps provided by Google to work with Sun backend
- Google Open Source License to be ASF2.0
- Sun Open Source License to be decided with the goal:
  - Non viral
  - Non discriminatory, equal access
  - No field of use restrictions
  - Freely distributed
  - Compatible with an existing license



## Financial compensation

- Google compensates Sun for current business risk
  - Estimated cost: \$25-50M
- If Google recognizes \$\$ from services running on “Open Source Java Linux Mobile platform” or derivatives, Google will revenue share with Sun

## Key Asks



- Approve joint development
- Approve to proceed to contract
- Approve spend ranges
- Approve to enter into multi-party discussions